

Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 048193

60

ORIGIN EB-07

INFO OCT-01 ARA-06 IO-11 ISO-00 COME-00 AID-05 CIAE-00

FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 CIEP-01 LAB-04 SIL-01 OMB-01 AGR-05 STR-04 PA-01

PRS-01 L-03 /074 R

DRAFTED BY EB/CSB/BP:SRPRUETT:BT
APPROVED BY EB/CSB/BP:HARVEY J. WINTER
ARA/MEX:GFALK
EB/OT/STA:MNAYOR

----- 047665

P R 272134Z FEB 76
FM SECSTATE WASHDC
TO AMEMBASSY MEXICO PRIORITY
INFO USDEL MTN GENEVA

LIMITED OFFICIAL USE STATE 048193

E.O. 11652: N/A

TAGS: ETRD, MTN, MX

SUBJECT: U.S. WINE QUOTA

REFS: (A) MEXICO 2273, (B) MEXICO 1843, (C) FALK-HAYNE
TELECON 2/25

1. DEPARTMENT (EB/CSB/BP) MET WITH ART SILVERMAN,
REPRESENTATIVE OF WINE INSTITUTE, TO DISCUSS THE QUOTA AND
ASSOCIATED PROBLEMS. FYI. SILVERMAN SAID THAT A DISCRIMI-
NATORY MINIMUM IMPORT PRICE OF 15 DOLS/CASE WAS UNACCEPT-
ABLE AND THAT INSTITUTE WOULD RATHER NOT HAVE QUOTA UNDER
SUCH CIRCUMSTANCES. MINIMUM PRICE OF 15 DOLS PLUS DUTIES
WOULD MAKE THEIR WINE QUITE EXPENSIVE AND DIFFICULT TO
SELL IN COMPETITION WITH EUROPEAN WINES. SILVERMAN ADDED
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 048193

THAT TO ARGUE THAT A HIGHER PRICE SHOULD BE SET ON

CALIFORNIA WINE BECAUSE OF PROXIMITY OF U.S. PRODUCERS WAS NO MORE VALID THAN TO ARGUE THAT TEQUILA SHOULD PAY A HIGHER DUTY THAN SCOTCH. THE INSTITUTE INSISTS THAT IT SHOULD BE ALLOWED TO COMPETE ON SAME TERMS AS EUROPEAN COMPETITORS (NOTING THE SPECIAL CASE OF SPAIN), THAT IS, AT A MINIMUM PRICE OF 12 DOLS PER CASE. END FYI.

2. DEPARTMENT AND WINE INSTITUTE WISH CONFIRMATION THAT MINIMUM PRICE IS F.O.B. WINERY EXCLUSIVE OF ANY DUTY FREIGHT, OR INSURANCE.

-

3. SILVERMAN NOTED THAT INSTITUTE'S MEMBERS HAD BEEN INFORMED OF QUOTA AND THE NEED TO PROCEED QUICKLY WITH REGISTRATION AND OTHER LOCAL REQUIREMENTS GIVEN IN REB B. COPIES OF INSTRUCTIONS, TO BE POUCHED BY THE EMBASSY, FROM UNDER SECRETARY OF COMMERCE TO DIRECTOR GENERAL AUTHORIZING QUOTA NEEDED URGENTLY AND WILL BE FURNISHED TO WINE INSTITUTE UPON ARRIVAL. WE ARE ALSO TAKING STEPS TO INFORM NEW YORK STATE PRODUCERS ABOUT QUOTA.

4. WHILE THE DEPARTMENT AGREES WITH THE EMBASSY THAT WE SHOULD TRY NOT TO ENDANGER THE BASIC QUOTA THE WINE INSTITUTE CANNOT ACCEPT THE ATTACHED CONDITIONS WHICH WOULD PLACE US WINE EXPORTS AT A COMPETITIVE DISADVANTAGE. NEITHER CAN THE USG AGREE TO THE DISCRIMINATION IN PRINCIPLE SINCE THIS WOULD BE CONTRARY TO THE BASIC US TRADE POLICY. THEREFORE THE EMBASSY IS REQUESTED TO INDICATE TO THE APPROPRIATE GOM OFFICIALS UNACCEPTABILITY TO USG OF A DISCRIMINATORY MINIMUM PRICE AND TO REPORT BACK TO THE DEPARTMENT ON THEIR REACTION. INGERSOLL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EXPORT QUOTAS, WINES, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 FEB 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE048193
Document Source: CORE
Document Unique ID: 00
Drafter: SRPRUETT:BT
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760075-0341
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976023/aaaaacgq.tel
Line Count: 91
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 MEXICO 2273, 76 MEXICO 1843
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 11 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 MAY 2004 by ifshinsr>; APPROVED <07 JUL 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: U.S. WINE QUOTA
TAGS: ETRD, US, MX
To: MEXICO
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006